Funds for computerisation of treasuries in Karnataka

1939. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE be pleased to state:

(a) whether the State Government of Karnataka has requested for funds for computerisation of its treasuries under the Citizen Centric and Mission mode Project; and

(b) if so, the details thereof and Centre's response thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Government of Karnataka had informed that they had incurred capital cost of Rs. 37 crore on this project and requested GoI to bear 50% of this capital cost. It was further requested that 90% of the cost of software development and hardware supplied by CMC, 50% of the cost of network hardware supplied by STPI and the entire cost of space segment and license charges paid by the State Government to BSNL may also be borne by GoI.

(b) At present, there is no scheme in GoI to reimburse expenditure incurred by the States on Treasury Computerisation. However, a scheme for computerisation of treasuries under the National e-Governance Action Plan (Ne-GAP) is in the process of finalization as one of the Mission Mode Projects of GoI. Once the Scheme is finalized, States including Karnataka would be eligible for Central assistance for up-gradation of the existing system and expansion of network connectivity.

Norms for branches of Nationalised Commercial Bank and RRBs in rural areas

†1940. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) the basis and norms followed to open the branches of Nationalised Commercial Banks and Regional Rural Banks (RRBs) in the rural areas;

(b) the rural and guidelines stipulated in terms of population and area for the establishment of such branches;

(c) the population and area on the basis of which the area of service for the branch of a commercial bank is determined;

(d) whether in view of the above guidelines several commissions/ committees have been appointed by Government/RBI from time to time; and

(e) if so, the details thereof and Government's approach thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) In terms of Section 23 of the Banking Regulation Act, 1949, it is mandatory for banks, including Public Sector Banks to obtain prior approval of Reserve Bank of India (RBI) for opening of a new place of business. For seeking RBI's authorisation Banks are required to submit their branch expansion plan annually. RBI has informed that under the extant bank authorisation policy banks are encouraged to open branches in unbanked and rural areas and requests for opening of branches in rural and unbanked areas are considered favourably by the RBI. RBI has further informed that banks are free to approach RBI for any urgent proposal regarding opening of branches, especially in rural/underbanked areas any

†Original notice of the question was received in Hindi